

RA3

UNAPPROVED MINUTES
CITY OF MILPITAS

Minutes: Regular Meeting of Milpitas Redevelopment Agency (Including
Joint Meeting with City Council and Financing Authority)
Date of Meeting: February 15, 2005
Time of Meeting: 8:20 p.m.
Place of Meeting: Council Chambers, City Hall

**RA1.
CALL TO ORDER**

Mayor Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 8:20 p.m.

**RA2.
ROLL CALL**

Present were Mayor Esteves, Vice Mayor Gomez, and Agency/Councilmembers Giordano, Livengood, and Polanski.

**RA3.
MINUTES**

MOTION to approve the Redevelopment Agency minutes of February 1, 2005, including joint meeting with the City Council, as submitted.

M/S: Gomez, Giordano.

Ayes: 5

**RA4.
AGENDA**

MOTION to approve the Agenda and Consent Calendar as submitted.

M/S: Giordano, Gomez.

Ayes: 5

**RA5.
PUBLIC ART POLICY**

Finance Director Emma Karlen reported in October 2004, the Council approved a Public Arts Policy concept that called for dedicating 1.5 percent of the City's gross annual Capital Improvement Project (CIP) budget for the acquisition and installation of public artworks; to establish initial funding, the City in partnership with the Redevelopment Agency agreed to provide an additional \$125,000 annually for each of the first four years of the Public Arts Program. Ms. Karlen said in evaluating the funding portion of the Policy, staff noted two important budget concerns regarding the CIP Budget that required Council consideration: the first was the City's Utility Financial Master Plan, which did not anticipate the Public Arts Policy and, therefore, did not incorporate the funding requirement in future rate adjustments; the second issue in applying 1.5 percent of the CIP Budget was the anticipation of major capital improvement projects in the Midtown in the next four years totaling approximately \$80 million, and the fiscal impact of the 1.5 percent would be approximately \$1.2 million. Ms. Karlen further stated that because of budget concerns for utility rate adjustments and funding of major capital projects from bond proceeds, staff proposed a refinement to the funding portion of the Public Arts Policy to exclude utility and enterprise fund projects from the definition of the City's gross annual CIP Budget, establish an initial funding source for the Public Arts Program by providing \$125,000 annually in the first four years, upon development of the Public Arts Program Master Plan; and resume funding 1.5 percent of the CIP Budget after the initial four years.

Mayor Esteves inquired if this ever went to the Arts Commission for input. Ms. Karlen responded it did not go to the Arts Commission because she believed it was a budget issue that required Council consideration rather than the Arts Commission consideration.

Mayor Esteves said public art was both funding and the art itself and that was why he needed input from the Arts Commission. Acting City Manager Lawson said staff could go back to the Arts Commission, but staff felt the Arts Commission would approve it at the amount suggested.

Vice Mayor Gomez commented that the \$125,000 was a number from the Council to basically get it started. Ms. Karlen responded the funding portion was directed by the Council; in August, the Arts Commission came to the Council and asked for funding of public arts and the Council approved it and asked staff to draft a concept; staff came back in October; the \$125,000 was not actually mentioned by the Council back in August; the Council expressed a desire to jump start that program but there wasn't any specific dollar amount; there was

mention that other cities fund one percent and the Council decided to fund more; but she believed the \$125,000 was discussed with the Arts Commission by the former City Manager.

Mayor Esteves inquired what the impact of \$1.2 million would be on the budget in terms of projects. Ms. Karlen responded because most of the projects were funded by the Redevelopment Agency, it would obviously reduce the funding amount for other Redevelopment Agency projects. Mayor Esteves inquired if it would impact specific projects planned right now. Ms. Karlen said there were other projects and other opportunities that may come along in the next four years that may not be included in the bond funding that would require Agency tax increment funding.

Mayor Esteves said for him, public art was also a major opportunity because it enhanced the economy and so many other factors. Mayor Esteves further stated when this was brought up before, he even heard Councilmember Livengood say we have to jump-start because there had been no budget in terms of public art in the last 50 years.

Councilmember Polanski said she would need to go back and review the tape of the October 18 meeting, but it was her recollection that the Council agreed to jump start art because it had been neglected for 50 years, was going to do the \$125,000 for the four years plus look at a percentage of 1.5 percent, or up to 1.5 percent of all projects, and that included CIPs; she could see staff wanting to remove the water and sewer projects because those were ongoing maintenance; however, she was disappointed that this recommendation was coming back in this format because she thought this had been decided in October. Councilmember Polanski further stated she thought it should have come before the CIP Subcommittee, which was meeting February 22; she was also disappointed the background did not have the meeting minutes when the Council approved jump starting the program with \$125,000; and she would not be able to move any of the staff recommendations until she received the minutes of the meeting where the Council discussed and voted on it.

Councilmember Giordano said she was present at the meeting in October when the Council discussed this and noted in talking to a couple of members of the Arts Commission that the Council did a survey of what other cities were doing and came to an understanding that this was where the Council felt the number was. Councilmember Giordano further stated she didn't know if she would go that far to use the 1.5 percent, but she didn't vote on that as she wasn't on the Council at that time; she was concerned with the fiscal impact and as a member of the Finance Subcommittee, she would like to see this brought through that process to understand what those fiscal impacts would be.

Vice Mayor Gomez said staff had looked at this and brought forward quite a few policy issues that needed to be looked at and given that Councilmember Giordano was a member of the Finance Subcommittee as well as the liaison to the Arts Commission, he felt it would be beneficial to punt this over to the Finance Subcommittee. Vice Mayor Gomez expressed concern that when the Council did this, they were very enthusiastic about getting this in place as soon as possible and what he didn't want to happen was to forward it to the Subcommittee where it might die or be delayed; he would like whoever makes the motion to include some sort of time line as to when this would get back to the Arts Commission, for the Finance Subcommittee to review this and have it back within 60 days.

Councilmember Livengood said he thought the \$125,000 was clear, the Council said we need to get some seed money there and get this process started; what was not clear to him was the business about certain public works projects being included in this; he thought it focused on things like the library, the senior center, anything the Council does that's a high profile public project; he supported 1.5 percent to be dedicated for public art for that project so we make sure that every major project that goes forward from this point has an element of public art; he couldn't support delaying the 1.5 percent for four years because a whole bunch of projects would be moving forward in the next four years and that opportunity would be lost; from his perspective, he was okay with the \$125,000 and the 1.5 percent but would like more feedback, from these committees being talked about, on exactly the difference between a library and a force main sewer line.

Vice Mayor Gomez said when this came forward, he was the liaison for the Arts Commission and remembered looking at those policy questions and suggested asking the Commission members to come forward to get their sense of it on public works projects and what was the intention of the Arts Commission at the time.

Bill Foulk said he had discussed it with his fellow Arts Commissioners and their feeling was exactly what Councilmember Livengood had said; the Commission was thinking of the library, the senior center, the other major projects, buildings that were going to be built; they saw the agenda and saw sewer lines and came to the same conclusion as Councilmember Livengood that they did not expect to have the 1.5 percent go against the infrastructure of the City.

Vice Mayor Gomez asked if Mr. Foulk was comfortable with the direction the Council was heading. Mr. Foulk said he liked what he was hearing, what Councilmember Livengood said, and thought there was support for the concept; the Arts Commission turned out tonight because this hit them like a lead balloon; they had put a lot of work into this proposal and they thought they had really strong support; they were all charged up as an Arts Commission to get going on these projects and now it was like Daddy took the allowance away and they didn't have enough money to do anything.

Vice Mayor Gomez asked if Mr. Foulk was in agreement with 60 days to get through the committees and get the Commission's recommendations. Mr. Foulk responded the sooner the better.

Councilmember Polanski agreed with Mr. Foulk, she knew the Commissioners had worked on this proposal for over a year so 60 days did seem like a long time for them; she noted that the CIP Subcommittee was meeting on February 22, the Arts Commission meets on February 28, these items could go before both, and she saw no reason it couldn't come back on the agenda by March 15.

Vice Mayor Gomez said the Finance Subcommittee will meet on March 2 and he would like the Arts Commission to have both subcommittee recommendations.

Mayor Esteves said he would like to see this approved tonight since it appeared, based on the discussions, that at least a majority of the Council was in favor of the 1.5 percent for CIP projects that exclude water, sewer, and public works.

Vice Mayor Gomez said he would like an opportunity to narrowly define and actually define how we interpret CIP projects, an opportunity to have these committees come back and define what capital projects will be subject to the 1.5 percent, and he didn't know if that could be done at this moment.

Mayor Esteves said he thought it could because in the CIP there were only five categories and asked Ms. Karlen to review the categories. Ms. Karlen said there were Community Improvement Projects, Parks Projects, Street Projects, Water Fund Projects, and Sewer Fund Projects. Mayor Esteves asked Ms. Karlen to give examples of the projects.

Mayor Esteves said his interpretation was just the Community Projects; he thought the Council could clearly define tonight what was meant by capital improvements and for him, it was just Group 1.

Vice Mayor Gomez said there were still a lot of questions that staff didn't have answers to; he thought the Council needed to find out before making a decision on this; and he agreed with Councilmember Polanski and Councilmember Giordano that this needed to go to the CIP Subcommittee, the Finance Subcommittee, make a recommendation to the Arts Commission, and bring it back to the Council.

Acting City Engineer Greg Armendariz said staff would be happy to provide the level of detail on the Community Improvement Projects and there were some exciting opportunities with the

library, senior center, and so forth; staff would be happy to provide that level of detail for each respective project based on the formula as well; and staff could be ready to present it to all of the committees this month and then come back to the Council in March. Mayor Esteves said he heard March 15 as the common target. Vice Mayor Gomez said his preference would be the first meeting in April.

Councilmember Polanski said she had a clear idea of what the Council did and she could understand where staff might have some misunderstanding, especially in category 1; but she believed it needed to go back to the three committees (the Finance Subcommittee, the CIP Subcommittee, and the Arts Commission) for recommendations; she thought the members of the Arts Commission could attend the Finance Subcommittee meeting.

MOTION to direct staff to take the 1.5 percent for Capital Improvement Project budgets to the CIP Subcommittee, the Finance Subcommittee, and to the Arts Commission for recommendations and a clear definition for CIP projects; return with the recommendations to the Council by the March 15 Council meeting; and the \$125,000 that had already been dedicated for the first four years to jump start the program begin immediately.

M/S: Polanski, Livengood.

Councilmember Giordano commented that she thought there was a process that needed to be followed and in her view, she would like for the Commission to see what's before them before they put their recommendation forward; she supported the subcommittees meeting preceding that effort and thought waiting another 20 or 30 days made sense to have this channeled through the right process; she would be voting against the motion.

Councilmember Livengood said the work project that he was looking for, and the reason why it was a bad idea to try to wrap this all up tonight was people will be confused about what is in and what is out of this funding, so it had to be very specific and a very defined process; then the Council has to make the policy decision very clear as to what is included and what is not; and he thought it could all be done in 30 days.

Mayor Esteves invited comments from the audience.

Kim Sing said he knew a couple that lived in Milpitas and they decided to pack their bags and move to San Francisco just because of the art thing; the fact that Milpitas for 50 years did not support public art was embarrassing; he would like to include 1.5 percent of all public works projects; agreed that a work of art can't be placed on a sewer but if the money is apportioned, you could have public art on the street; housing would appreciate; art was something the City lives on and he would like the Council to remember that.

Mareile Ogle, Arts Commissioner, said she wanted to say that Milpitas had come a long, long way; we now have gorgeous buildings with others in construction; the parks are beautiful and amazingly clutter and graffiti free; what we desperately need now is to put some class, some status, some ambiance, some creative oomph into our City; other communities smaller than Milpitas have a lot of public art work; she did not want it to be bogged down into little details; it was very important to be concise and not overlook the overall importance to beautify a city so that we have really arrived; and said she would leave copies of a newspaper editorial for the Council with the City Clerk that she thought they might not have had time to read during the campaigns.

Robin Hayes, Arts Commissioner, asked for some clarification commenting that in the beginning, the proposal was for 1.5 percent of all projects; that was cut to only City projects; the monies collected were to go into a fund; that fund was to be used where appropriate, not on the projects; in other words, the sewage would not go to the sewer plant; it would perhaps go to Calaveras or one of the main areas that had been neglected over the last 50 years; she did not feel that was understood by the Council because people kept saying you're not going to put art on a sewage plant; true, but you're going to use that money, that percentage, to go on something else where it's needed and it's been neglected. Ms. Hayes said she had spoken at length with the Finance Director and needed to know the impact on each household of this

percentage; she had asked the Finance Director to bring this information tonight; the impact could be one-half penny per household or it could be \$10, and that was too much but it needed to be looked at. Ms. Hayes also talked about 1.5 percent of the \$80 million for the Midtown Project, or \$1.2 million, which was a mere \$300,000 a year; and said people preferred to go to Mountain View or Santa Clara or move to San Francisco as the gentleman just said because of the ambiance.

Rob Means said he knew that there was a correlation between the number of trees in a community (actually an inverse correlation) – the more trees, the less crime; and said he was wondering whether a similar study had been done about art in a city and did that have any kind of an impact on crime in the city. Mr. Means further stated if it was actually like trees and there was an inverse impact, then he suggested being more inclusive of what you're going to include under that CIP umbrella.

Harriet McGuire, Arts Commissioner, said she was pleased that this was going forward and Councilmembers speaking about this art policy; it needed to be done and she thought it was all resolved and then all of a sudden, it came back; they had no idea this was coming up until they were sent the agenda and it really kind of upset them; they wanted to get going with this; they wanted to be able to hire a consultant to help them find projects they can work on right away; they'd like it done as soon as possible and not wait 60 days because the longer it was put off, the harder it would be to get going; she didn't want the money to disappear, wanted to get started, to get that consultant, and she appreciated all the Council's efforts and help.

Ernestina Garcia said she was in agreement with Councilmember Livengood and Councilmember Giordano; disagreed with some of the comments that were made about Milpitas smells and that people were moving out of Milpitas because of the arts or whatever; she thought people were moving out because the cost was too high to live here/very expensive; and asked if any of the Council would approve raising taxes because it was very high right now, especially for someone on a fixed income. Ms. Garcia wanted the Council to know that she was very proud to live in Milpitas and expected to stay in Milpitas forever; if there was art to be done, suggested sending somebody to fix the creeks, to clean the creeks, especially the one by the high school, and to clean the sewers in the street.

Bill Foulk, Arts Commissioner, said the Commissioners got together earlier to talk about this and how they were going to approach the Council; however, as a result of the Council's discussion, he was encouraged at what he was hearing and hoped the Council was going to support close to the original proposal (back in October); as discussed, they could trim back a portion of the total CIP and only do the high profile buildings and projects; it was interesting when the overpass was mentioned, the words high profile came to mind and maybe high profile could mean anything that was 20 feet above the ground or bigger; if you have a big overpass, you might want to put some nice pieces on that as well. Mr. Foulk said he appreciated the sentiment of wanting to get a conclusion, but he was happy with the proposal to have a conclusion on March 15; they will review it and, hopefully, when the staff comes to the Arts Commission meeting on the 28th, they will see some good numbers and move forward with it.

Julie Cherry, Milpitas Alliance for the Arts, said it sounded like the Council was all in full agreement that money should be spent on the arts in Milpitas and for that, we're all very grateful and excited and thrilled that it was happening. Ms. Cherry further stated what she didn't hear was that there was a clear understanding of where this money would come from or where it would be spent; in other words, is the 1.5 percent from the library project going to go into art for that particular library or was the City interested in having a public art fund that was seeded through CIP projects and then you have a master plan for public art and a body that regulates and makes recommendations about where that money is spent. Ms. Cherry also said she wanted to clear up some of the comments that were made about this City not paying for anything for public art for the past 50 years; in fact, the Milpitas Alliance for the Arts (started in 1998) had gotten an amazing amount of support from Milpitas, financial and otherwise, and had four art projects done, of which the City gave \$20,000; and last year a couple hundred thousand dollars was allocated to the Art-in-Your-Park project over the next couple of years.

Carmen Montano said she thought this was a great policy and inquired if this project or this funding refinement was to fund local art groups or was it to fund projects throughout the whole City.

Mayor Esteves said the Arts Commission would develop the guidelines. Ms. Montano inquired if there was going to be a Master Plan. Mayor Esteves said he thought so. Ms. Montano said she would like to see some type of commemoration of the Ohlone Indians as they were the first ones here and thought it was a good thing to have this policy for art throughout the City.

VOTE ON MOTION:

Ayes: 3

Noes: 2 (Giordano, Gomez)

***RA6.
SECURITY FENCING
SENIOR HOUSING &
COUNTY HEALTHCARE
FACILITY**

Approved funding allocation for security fence and one identification sign around the proposed Senior Housing and County Healthcare Facility sites in an amount not to exceed \$12,000.

**RA7.
ADJOURNMENT**

There being no further Redevelopment Agency business, Mayor Esteves adjourned the Redevelopment Agency meeting at 9:12 p.m.

Gail Blalock
Secretary/City Clerk